WEEKLY ECONOMIC REVIEW

September 29, 2006

Alberta continues to have Canada's fastest-growing population, according to a report released this week by Statistics Canada. Between July 1, 2005 and July 1, 2006, Alberta's population grew by 3.0 per cent - triple the national increase of 1.0 per cent.

Alberta's rapid population growth has been fuelled by an upsurge in the number of Canadians moving here from other provinces. In the 12-month period ending June 30, 2006, Alberta recorded net inter-provincial migration of over 57,000 persons, accounting for almost 60 percent of the province's total population growth. Only two years ago, Alberta had less than 11,000 net inter-provincial migrants over the comparable 12-month period. In the most recent quarter, the pace of inter-provincial migration to Alberta eased somewhat, to 11,360 net migrants (down from 15,600 in the first quarter of 2006).

U.S. economic releases this week provided mixed signals. Sales of new homes jumped 4.1 per cent in August, after plunging 7.5 per cent the previous month. However, other August data pointed to a slowing U.S. economy. U.S. consumer spending fell for the first time in eleven months, and the increase in personal incomes was the weakest in nine months (0.3 per cent).

Cdn Dollar (C¢/US$)

Sept. 29, 2006	89.7¢
Sept. 22, 2006	89.5¢
2006-07 YTD	89.2¢

WTI Oil US$/bbl

Sept. 28, 2006	$62.76
Sept. 21, 2006	$61.59
2006-07 YTD	$70.68

Nymex Natural Gas C$/mcf*

November Contract

Sept. 29, 2006	$5.98
Sept. 22, 2006	$5.35

*Estimate based on Nymex Futures Market Price

Median U.S. house prices declined on an annual basis for the first time in over a decade (falling 1.7 per cent from August 2005), while durable goods orders fell for the second consecutive month, dropping 0.5 per cent. In addition, U.S. GDP growth for the second quarter of 2006 was revised downward, from 2.9 to 2.6 per cent (annualized rate).

Near-term futures prices for natural gas jumped this week as the October contract expired and November became the "front month" for futures contracts. However, this price increase did not indicate any improvement in gas market fundamentals, which remained weak due to continued high U.S. storage levels and an uneventful hurricane season to date in 2006.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Canadian Real GDP	**July**			
(annualized, millions of 1997 dollars)	1,090,690	0.2%	2.5%	n/a
Industrial Product Price Index (1997=100)	**August**			
Canada	115.2	-0.5%	3.6%	2.5%
Raw Materials Price Index (1997=100)	**August**			
Canada	168.8	-3.5%	9.7%	14.3%

Source: Statistics Canada, U.S. Bureau of Labour Statistics

[1]Year-to-date 2006 compared to the same time period in 2005. For example: January-August 2006 versus January-August 2005